Community Environmental Council

November 19, 2008

California Energy Commission
1516 Ninth Street
First Floor, Hearing Room A
Sacramento, California

Re: RETI Phase 1b Draft Report

Dear Mr. Olsen,

I am writing on behalf of the Community Environmental Council, a 37-year-old non-profit environmental group based in Santa Barbara. We work extensively on energy policy and renewable energy implementation in our region of California and state-wide. Our ambitious regional goal is to wean ourselves from fossil fuels (for electricity, natural gas and transportation fuels) by 2030 or sooner.

We applaud the Commission and other RETI partners for their fine work on the RETI process and for producing the RETI Phase 1b draft report ("Report"). With the Governor's recent executive order solidifying his support for a 33% by 2020 Renewable Portfolio Standard and initiating a post-RETI process, we are encouraged that California now has a good chance of meeting the long-standing goal of 33% renewables by 2020. We are particularly encouraged about our state's economic future in light of the tremendous renewable energy resources identified in the Report, particularly the relatively easy-to-develop "wholesale distributed generation" projects comprising 28 GW of potential state-wide.

We highlight, however, a number of discrepancies in the Report regarding our region, which if corrected would likely lead to our region's CREZ ranking higher in the CREZ list. With a strong regional commitment – emanating from non-profits like us, local governments, businesses and individuals – to achieving a "fossil free" future, a higher CREZ ranking for CREZ (four are identified: Santa Barbara, Cuyama, Carrizo South and Carrizo North) in our region should help significantly in achieving our ambitious regional goals.

Our specific comments follow, some general and some relating to our region's CREZ characterizations:

- The RETI electricity and natural gas demand forecasts are outdated because they don't take into account more recent and more ambitious energy efficiency goals. The CPUC recently committed to achieving 100% cost-effective energy efficiency by 2020. The final greenhouse gas regulatory strategies decision (D.08-10-037) states: "We support a goal of achieving all cost-effective energy efficiency,

through a combination of means." (P. 81). In the same decision, the CPUC increased its targeted 2020 energy efficiency reductions for the investor-owned utilities, to achieve the "high" scenario in the Itron report examining utility energy efficiency potential. Previously, in D.08-03-018, the CPUC had supported the "medium" scenario. The RETI demand forecast should be revised in line with these more aggressive efficiency goals, which will be incorporated into utility efficiency portfolios for each three-year cycle from now until 2020.

- The Report lists an additional 74 MW of wind resource that Vandenberg Air Force Base has identified for future development, but this is not included in the Santa Barbara CREZ. The Vandenberg resources should be included in the Santa Barbara CREZ because Vandenberg Air Force Base is directly adjacent to the previously-identified Santa Barbara CREZ.
- The transmission route depicted in the Santa Barbara CREZ map has a 115 kV PG&E transmission line running north directly from the CREZ; given the estimate of over 2,000 acres of right of way needed for Santa Barbara CREZ transmission, RETI should consider upgrading this line to 230 kV as an alternative option in Phase 2.
- The Santa Barbara CREZ is modeled as having one of the highest transmission cost estimates of any CREZ in the state, at $40/MWh. This is inconsistent with having an existing transmission right of way that goes directly into the CREZ. RETI should explain the components of this estimated cost so that it can be understood and evaluated.
- In measuring the overlap with wildlife corridors, the Report's methodology uses the total lease area of a wind project, rather than the actual area being covered by turbines and access roads, which skews the results in favor of CREZ with more solar and geothermal and little wind. Thus, covering an entire square mile with solar panels is treated as having the same impact as four turbines and access roads covering just 3.5% of one square mile (according to NREL) without taking into account the open land set aside for wildlife and to connect habitat.
- From a methodological standpoint, including the coast as a "buffer zone" makes any zone next to the coast uncompetitive, even though the ocean has already been set aside as off-limits to development for this RETI process.
- Even though there is an existing transmission corridor from the Santa Barbara CREZ, the Report estimates an unduly high amount of acreage required for transmission, much higher than other CREZ further from existing transmission corridors.

Sincerely,

Tam Hunt
Energy Program Director / Attorney
Community Environmental Council